

REFORMING RENT CONTROL IN NEW YORK CITY:
THE ROLE OF RESEARCH IN POLICY MAKING

Ira S. Lowry

November 1970

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The New York City Rand Institute

PREFACE

This document is the text of a briefing prepared for Rand's Board of Trustees on 13 November 1970. Parts of it have been presented by the author before other audiences. It describes the role of the New York City Rand Institute and other research groups in the rent control reforms enacted by the New York City Council in June 1970, summarizes the major research and analytical studies performed in this connection by Institute staff members, and offers some lessons for those contemplating similar work for public agencies.

The section of this paper summarizing our research studies borrows heavily from a similar summary prepared for another occasion by my colleague on the Housing Study, Michael Teitz. I am grateful for his permission to use it here.

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In May 1970, the Mayor of New York City proposed a major reform in the City's sacred institution of rent control, the first substantial change in its 27 years of existence. The key principle of this reform was that rent ceilings should be raised gradually until they reflected the current costs of supplying rental housing; and thereafter, as these costs changed, ceiling rents should be adjusted accordingly. Passed by the City Council in June, the new law affects 1.3 million families living in housing units brought under rent control in 1943. Further moves toward a rational housing policy -- relating to code enforcement, treatment of problem buildings, and rent assistance for poor families-- are visible on the horizon.

The Mayor's sponsorship of rent control reform was an act of political courage; his decision to seek these reforms is of special interest because it was based on scientific research and analysis to a degree almost unprecedented in the history of municipal government. The New York City Rand Institute, under contract to the City's Housing and Development Administration, was a major contributor to this research effort. Contract research was also done for HDA by McKinsey & Co., by George Sternlieb of Rutgers University and by Paul Niebanck of the University of Pennsylvania. The City's resident housing expert, Frank Kristof, was at first officially and later unofficially influential throughout the term of these research enterprises, contributing a long paper on housing problems and policy to the Institute of Public Administration's *Agenda for New York City*. Finally, a commission of scholars and civic leaders under Robert McKay, Dean of the New York University Law School, reviewed much of the analytical material gathered by these researchers and prepared a report on rent control for the Mayor.

My purpose today is to give you a short history of the events leading up to rent control reform and of the roles played by the various research contributors. In particular, I will try to show you how research and analysis done by the housing study team of the New York City Rand Institute fits into the picture.

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As most of you probably know, New York City is unique in this country in having retained the wartime system of rent controls imposed by the Federal government in 1943. As of 1968, 1.3 million units, or nearly 70 percent of all privately owned rental housing in the City, was subject to controls based on the actual rents registered in 1943. The rest of the rental inventory consisted of a few decontrolled units, about 600,000 privately owned units built after 1946, and about 230,000 units of publicly owned or publicly aided housing. The post-1946 units were placed under a limited form of industry-administered controls in May of 1969. Today, rents on virtually the entire rental housing stock are subject to public regulation.

Although it was hardly noticed at the time, our retrospective studies convince us that the decade of the 1950s was a Golden Age for consumers in New York City. Real incomes rose by about 40 percent, and the City's housing stock increased by 325,000 units even though the City's population decreased. With most of the rental stock subject to controls, rents rose only slowly -- about 2 percent annually in the controlled sector under various provisions of the law. The City's residents took advantage of these circumstances to spread out, absorbing over a million rooms of housing space with no substantial change in the ratio of housing expenditures to income. The incidence of overcrowding and substandard housing decreased, and the vacancy rate rose.

These favorable trends continued into the early 1960s, though storm warnings were visible to those with prescience. Beginning around 1965, the City's housing market went sour. Construction dropped off sharply, field studies began to show a rising incidence of deterioration in the existing stock, and the press began to report instances of owner-abandonment. Tenant complaints to the Office of Code Enforcement quadrupled in volume in five years, and the enforcement system was swamped with a backlog of 700,000 outstanding violations. The rental vacancy rate, which peaked in 1965 at 3.2 percent, began to shrink. In the uncontrolled sector of the market, landlords were presenting their tenants with sharp rent increases.

It was against this backdrop that the research efforts I mentioned earlier were initiated.

The Office of Rent Control was required by statute to test the vacancy rate every three years; it did this by contracting with the Bureau of the Census for a field survey patterned on the decennial Census of Housing. Professor Paul Niebanck of the University of Pennsylvania was commissioned to analyze the data from the 1968 Survey. His report was completed in February 1970. Under the terms of his contract his mandate was not to comment on policy issues but rather to summarize the voluminous tables of data prepared by the Bureau of the Census into a form that illuminated the trends in the City's rental housing market. He did this very well, actually straining his mandate in identifying segments of the City's population that he considered badly served by the housing market.

The Office of Rent Control also commissioned George Sternlieb of Rutgers to do a field study of the ownership, financing, and operating costs of controlled rental housing. Under the terms of his contract, he was to determine "whether increases in rent are necessary in order to provide an adequate level of maintenance and a reasonable return to the owner," and to determine the feasibility of developing a method for adjusting rents periodically to meet changing cost conditions as an alternative to existing means of rent adjustment. The allotted resources were largely consumed by an ambitious program of field work. The report that Sternlieb filed in May 1970 is an invaluable mine of data of a kind never before available. It establishes that many owners of rent-controlled buildings were in severe financial straits; and it estimates that supply costs for rental housing were increasing at the rate of 6 to 9 percent annually during the period 1966-1968, about half of the increase being due to rising cost of debt service.

The report also bears down heavily on the role of ethnic turnover and welfare tenancy and on the pessimism of landlords and lenders about the future of investments in rental housing. It makes no policy recommendations.

Rand entered the picture in January 1968. At the request of Mayor Lindsay, we established an office in New York City -- now the New York City Rand Institute -- to help a number of City agencies on problems of

policy and resource allocation. The form of the relationship was almost unprecedented in municipal research. We agreed with the participating agencies on broad agendas of researchable problems that we would tackle in conjunction with agency personnel, and on a level of effort to be renegotiated each fiscal year. This gave us the flexibility to adjust our research objectives over time to meet client needs within the context of our own emerging sense of priorities. I put together the team that worked with the Housing and Development Administration. At peak staffing, this team included 14 professionals, though some were giving only part of their time to the project.

As we learned our way around the agency and the City's housing establishment, we were particularly impressed by two things. First, public discussion of the City's performance with respect to housing problems revolved almost entirely around one issue: how many units of City-assisted new construction were completed each year? Second, in programming housing improvement, the City operated on the implicit theory that fixing up selected neighborhoods would improve housing conditions in the City as a whole.

As our studies progressed, we became increasingly convinced that the traditional emphasis of City housing policy on new construction was unserviceable in the emerging crisis of the City's housing markets, and that the one-neighborhood-at-a-time approach to housing improvement overlooked important interconnections between local and city-wide housing problems. We came to believe that the attention of City officials should be focused on saving the existing stock from the growing threat of deterioration and abandonment, and that solutions must be sought on a City-wide scale. While the specific problems and fears associated with ethnic turnover were critical factors in the decay of some neighborhoods, the more pervasive problem was that most owners of the controlled housing were not getting enough revenue to maintain their buildings properly and still earn a reasonable return on capital. The issue that was least clear was the extent to which these revenue shortages

were directly due to rent control, as distinguished from the poverty of tenants.

We launched or provided technical assistance in a number of studies designed to probe and test these views. By early 1969, we were sure we had a case, and began to formulate a strategy for City response to the rental housing crisis. In March, we began to brief officials of HDA and the Bureau of the Budget, and representatives of the Mayor's Office on the nature of the problem as we saw it and on our proposals for City policy.

We recommended raising ceiling rents to cover standard full costs, much in the pattern of public-utility rate-setting; a program of direct rent assistance to low-income families to offset the rent increases; improved code enforcement as a check on landlord delinquency; and a special program addressed to persistently substandard buildings, involving systematic diagnosis of the reasons for delinquency and the use of a wide range of treatment options. We provided estimates of program impacts and program costs.

It was a long, hard selling job lasting throughout 1969. Every critical comment by someone whose opinion carried weight in administration circles sent us back to the drawing board. Some disagreed with our diagnosis, or at least questioned whether our evidence was robust. Others were satisfied with the diagnosis but doubted the adequacy of our remedies. Others accepted their adequacy but questioned their administrative or fiscal or political feasibility. In particular, our proposals to tamper with the system of rent control so as to raise rents to cover supply costs were regarded by most as politically impossible.

That our proposals concerning rent control were eventually accepted by HDA, by the Bureau of the Budget, and finally by the Mayor's office is due to a combination of four factors. I can't weight them; all were essential.

- 1) Our arguments were cogent and forcefully presented in a steady flow of briefings and documents.
- 2) Our principal liaison with the agency was heavily committed to the enterprise and worked with tremendous energy and skill to advance the cause within the agency.

- 3) Despite some backbiting, no one with credentials as a housing analyst seriously challenged our diagnosis of the problem. Although the other research reports and policy papers I have mentioned differed in emphasis and coverage, the evidence presented by each led to the same general conclusions.
- 4) The visible symptoms of trouble in the housing market increased and intensified throughout this period, so that the issues raised by our work continued to command official attention.

The existing rent control statute was due to expire at the end of March 1970, unless renewed by the City Council. As the winter wore on, the counter-polemics of landlord and tenant organizations became even more extravagant than usual. The City Council, the press, and the public began to demand that the Administration reveal its plans. *The New York Times* acquired a bundle of draft material that had been circulated within HDA, including portions of our work from which it quoted selectively in a series of news stories. The City Council demanded access to this mysterious document; one group of Councilmen sued HDA for its release.

With the issue thus forced, in February the Housing and Development Administrator sent the City Council a Rand report containing our diagnosis of the rental housing crisis, our prognosis, and our recommendations for remedial action. It was covered by what is best described as a neutral letter of transmission -- certainly not a ringing endorsement. The trial balloon was up. About the same time, the Mayor asked the Council for three more months in which to prepare his program; it was grudgingly granted.

As late as the beginning of May, neither the Mayor nor the Housing and Development Administrator had made any public commitments on rent control reform. But from the start of the year, issues of ways and means were being thrashed out within the administration. It was at this stage that the staff of McKinsey & Co. became directly involved in the issue of rent control reform, doing quick-response studies of the impacts and administrative complications of dozens of alternatives

proposed in these last hectic months. Debate over crucial issues, particularly over some form of rent assistance, continued well into the month of May.

Finally, on 12 May, the Mayor sent his proposal for rent control reform to the City Council. We were pleased to have it described by *The New York Times* as "close to Rand's ideas." But it is only fair to say that the basic principle of the reform had been advocated by others, specifically by the McKay Committee and by Kristof. And instead of the rent assistance program we advocated, the Mayor proposed to exempt low-income families from all but the initial rent increases. His reasons were budgetary: even though a good many Administration officials favored the rent-assistance approach, the necessary funds could not be found.

The City Council enacted the reforms on 26 June, having (in my opinion) improved on the rent-increase exemption provisions. They also changed the provisions for first-year rent increases in a way that created an administrative nightmare for the Office of Rent Control. Since June, most of the agency's attention has been focused on the really massive job of determining allowable first-year increases for each of 1.3 million apartments according to the Council's formula.

In January 1972, a simpler system of biennial rent adjustments is scheduled by law to go into effect. It is based on a scheme that we devised for determining standard costs for different classes of buildings. We are currently working, along with HDA and McKinsey staff, on implementation methods.

The prognosis for the other parts of our program package is reasonably hopeful. A great deal of planning has been done for code enforcement reform and for problem building treatment. The major constraint in implementation of these proposals is the capacity of the agency to absorb change; it needs time to digest each new program. Rent assistance is a different problem. While the idea is very much alive, and HDA is encouraging further analysis of program costs and delivery methods, a source of funds has yet to be found. It will be

interesting to see how far the momentum built up in 1968-1970 will carry the City toward a rational policy of housing inventory management.

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I have talked about the results of our housing research without really saying very much about its substance. Let me speak now for a few minutes about the kinds of research we have done and how we went about it.

First, I should emphasize that rent control reform was not originally perceived by either Rand or HDA as the focus of our work. We began nearly three years ago by trying simply to find out what was going on in the nearly two dozen City, State, and Federal housing programs active in New York City, compiling program descriptions and expenditure data and trying to measure program outputs. This effort blossomed into a program budget structure for HDA which we tried, at the premature insistence of the Bureau of the Budget, to implement in the Fall of 1968. In the process, however, we found some promising targets for program analysis of a deeper sort, to which I shall return later.

In the meantime, we began to explore the environment within which the City's housing programs operate. For want of a better term, I'll call these "Background Studies." They are outlined below.

Demand Analysis

Population trends and household formation
Incomes and levels of living
Housing expenditure patterns

Supply Analysis

Trends in inventory size and composition
(Prospects for new construction)
Operating and maintenance costs
Factors affecting housing maintenance.

Our work in this area has varied in the amount of effort that we put in and in depth and originality of the work that came out. Let me give you some highlights.

Our population analyses were perhaps the most conventional -- they consisted of pulling together existing data and projections and making

some judgments about their likelihood and significance. The chief result was to eliminate population growth as an immediate source of pressure on the City's housing stock. We expect the City's population to remain as it has since 1950 below 8 million, the main contributor to demand pressure being a continued trend toward smaller household sizes. Half the City's households now consist of either one or two persons. Whether or not the influx of Puerto Ricans and Blacks continues, we expect these groups to expand relative to the white population because of their high rates of natural increase, and foresee a continuation of neighborhood upheaval due to ethnic succession.

Our work on incomes has been a little more ingenious, addressing itself primarily to the measurement of real income changes over time and particularly to the emerging pattern of income distribution. It has been alleged that this distribution is polarizing between the very rich and the very poor. Our analysis leaves us skeptical. Adjusting incomes for differences in family size and changes in purchasing power, we find that, while the rapid growth in real incomes that characterized the 1950s tapered off sharply in the 1960s, the distribution is becoming more rather than less compact, with the greatest gains being made at the bottom.

Our work on housing expenditure patterns is confined to renter households. By detailed analysis of the unit records of surveys conducted by the Bureau of the Census, we have been able to construct equations relating rent expenditures to household income, family size, and age, sex, and race of household head. We have also been able to show how these expenditure patterns are affected by rent control. These studies have been very helpful in estimating the impacts of rent control changes or new subsidies on the housing market.

On the supply side, we were able to assemble a time series of inventory data that were detailed enough to permit us to piece together what the flows must have been like to yield these stocks. This work enabled us to demonstrate that the pace of housing deterioration was greater than it appeared to be from inventory data alone, and that after 1965 housing units were being withdrawn from the market at the rate of 38,000 per year, exclusive of those demolished to make way for new construction. Disinvestment on this scale called for explanation, which

we found in a cost-revenue squeeze.

The prospects for new construction -- both demand and supply -- make a natural complement for our inventory studies. Work in this area has been mostly carried out by HDA in conjunction with McKinsey and Company, but we did look at construction costs -- a dismal picture.

The costs of operation, maintenance, and rehabilitation play a vital role in analysis of programs such as rent control or reclaiming deteriorated buildings. Our work here began with a careful look at the only data source that incorporated a relatively constant maintenance policy, namely public housing, so that we could estimate a true growth rate of costs and identify its sources. Regression analysis indicated a growth rate of the cost of maintenance on the order of four to six percent per year -- the effect of inflation, aging buildings and other factors. In order to get an idea of maintenance costs in the private stock, we have also analyzed data from applicants for hardship rent increases under rent control. From this work, we have developed a schedule of standard costs for well-maintained buildings, costs that vary with building type and size, building age, and apartment size.

We have also worked out a conceptual framework for explaining the maintenance policies followed by private landlords. In contrast to the usual distinction between "good" landlords and "bad" landlords, it has been very helpful in promoting logical discussion of the points of leverage for public policy.

This, then, is the scope of our background analysis. To assess the quality of this research you need to bear in mind that the sophistication of research in housing has been low, although a great deal of work goes on. Economists and housing analysts have concentrated on capital costs, largely neglecting the operating costs of housing. In a statistical sense the housing establishment is primitive. Regression analysis becomes a methodological breakthrough in a world of analysis by visual examination of two-way cross tabulations. On the whole, we are pleased about our housing market analyses. We have tried to avoid academicism, not always successfully, and we believe that our analyses of housing costs and expenditures in particular are innovative, elegant and important.

Let me turn now to our work in program and policy analysis, outlined below.

Overview of City Programs

Program guide

Managing the Existing Inventory

Program analyses

Rent control

(Welfare housing)

Code enforcement

Problem buildings treatment

(Rehabilitation)

Inventory management policy

Augmenting the Housing Stock

Program analyses

Publicly-aided construction

(Policies affecting private construction)

Targeting publicly-assisted construction

Improving HDA's Decision Process

Program budgeting assistance

Our first publication was the program guide that I mentioned earlier. As we came to perceive from our background studies the critical importance of programs dealing with the existing inventory, we undertook, in cooperation with HDA, a set of program analyses. Those in which we had major responsibilities are rent control, code enforcement, and problem buildings treatment. Studies of welfare housing and rehabilitation programs were led by others -- the Bureau of the Budget in the first case, McKinsey in the second case. In all these studies, the attempt has been to explore the program in considerable depth to discover how it really works and to evaluate its impact on the housing market, given the context of other programs and basic market conditions in which it has operated.

What we found in general was disaster: a configuration of programs working at cross purposes, each by its actions generating business for others. By unreasonably restricting revenues, rent control

led owners to policies of undermaintenance, creating a flood of business for code enforcement. Code violations, in turn, provided a legal basis for reduction of ceiling rents. Welfare rent allowances of \$235 million a year were disbursed without any attempt to use this enormous leverage to restructure landlord or tenant incentives. Code enforcement, bogged down in a backlog of 700,000 outstanding violations and escalating numbers of emergency calls, was pouring City resources into repeated emergency repairs of buildings forsaken by their owners. Persistently delinquent buildings were eventually taken under City receivership or seized for back taxes, but the City was unable to operate them except at enormous loss. Programs for helping "good" landlords who were in financial difficulties were not equipped to really help. Most rehabilitation efforts were limited to gut jobs that turned out to be more expensive than new construction.

Out of these program analyses and the background studies I described earlier, we pieced together recommendations for an inventory management policy, the substance of which I described in the first part of my talk.

Our analysis of programs for augmenting the housing stock has been spotty. Early on, we responded to HDA's request for analysis of the Mitchell-Lama program of City-aided construction of middle-income housing. We have been able to show in some detail who is benefitting from the program, how large the benefits are, how the real costs to the City and to others vary with location; and how construction of these projects affects the neighborhoods in which they are located. Our findings challenge many of the official premises for tenant-selection and project location, premises that lead to ineffective use of resources in relation to declared program goals. Though the work is good, it has yet to have a perceptible effect on City policy. The reason, I think, is that we were never able to find an enthusiast within the agency to follow through for us. However, the issues we have raised are not closed, and one of our studies was adopted as a model by a New York State agency with a similar program.

Finally, I want to say a little about the last area -- improving HDA's decision process. Assisting the birth of PPBS was one of our

earliest missions -- one not notable for outstanding achievement in HDA. It rapidly became apparent that HDA's information reporting was inadequate for capital budgeting by the Department of Development -- and this in very basic respects. Housing is a slowly maturing product. Pipeline information should allow accurate budget projections of up to five years. But without knowing just what's in the pipeline this is not possible. Institute staff led an HDA group in establishing a Planning-Control-Reporting Unit to deal with capital budgeting. As a first step, a complete picture of the scale and budgetary implications of the construction pipeline of City-assisted housing over the next five years was drawn up. This spring, the team was able to show that site acquisition had far outrun budgetary support for new construction, and these findings led to a reassessment of priorities in the Department of Development.

This pipeline report is now updated quarterly and closely reviewed by the Administrator and the Bureau of the Budget. The Institute staff member who was primarily responsible for this effort was induced by our client to move to its payroll. This, I suppose, is the ultimate contribution.

This retrospective review, I'm afraid, makes our work look more orderly than it was in fact. In some cases, studies undertaken on general principles or for different objectives were discovered to provide useful inputs to our main policy thrust, a new inventory management policy. And, in the course of developing our policy recommendations, we found gaps in our understanding or our evidence that sent us off on hurried investigation of issues we had overlooked, but which in retrospect fall into place in the structure of research I have just described. On the whole, I'm proud of the work both for its quality and for its relevance to the client's problems.

Let me end with a word about publications. So far, the housing study has published only two documents: the program guide, and our summary diagnosis and recommendations for rental housing policy. Part of the reason for this skimpy record is that we have been kept too busy with new issues to rewrite and edit for publication material that we have in hand. I counted up the other day, and was astonished

to find that in the past three years we have written and conveyed to the client over 90 documents of professional quality.

But it is also true that our client has been reluctant to publish some documents that we view as finished products. This is partly because almost everything we have done has visible policy implications, and our client is not always ready to respond with policy initiatives. We would like to convince our client that routine release of serious analytical studies is to his advantage, even though the studies may be critical of agency performance, may stress problems that are getting insufficient attention, or may even propose solutions that the agency is not ready to sponsor. It seems to us that such a procedure would usually do more to defuse criticism than to provoke it.

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Reflecting on my experiences working for New York City over the past three years, I am moved to distill some general lessons for those who contemplate similar undertakings. These lessons draw on our failures quite as much as on our successes, and I should add that there is an appallingly large element of luck in the outcome. The housing study has, I think, had more good luck than bad. But luck aside, I offer the following prescription for success in this kind of work.

1. STAFFING. Work of this kind requires highly imaginative but thoroughly disciplined people. Over half the staff should have the competence and training represented by a Ph.D. from a first-rate university, and all of them should be well-grounded in quantitative methods. While they must have the technical competence of scholars, they must be willing to address their research to the client's problems rather than to their professional peers in academia. Moreover, they must be willing to address policy issues within the real policy space; utopian solutions are of no relevance to public decisions. Constitutional inability or unwillingness to perceive the boundaries of this policy space disqualifies more otherwise talented researchers than any other factor. I do not mean to argue that these boundaries are immutable, or that the client's perception of them is always accurate; but my experience, at

least, is that elected officials and upper-echelon appointees usually know more about the shape of that space than do technical consultants.

2. THE RESEARCH CHARTER. Most research contracts with public agencies are drawn to tight specifications as to the issues to be analyzed, the methods of analysis, and the timing and contents of a report. Task-order research is simply inappropriate for an agency seeking help on problems of policy. The client usually knows that he's hurting; he seldom knows why, and is seldom able to articulate the questions that need answering. The research contractor is not usually in much better shape when he takes on the job; he only finds out half-way through his contract what he should really be doing if he wants to help his client. Task-order contracts bind him to a research strategy that often turns out to be inappropriate or irrelevant; but by delivering the specified product, the contractor gets off the hook.

We have been fortunate in our dealings with New York City agencies in having broad contractual charters that seldom go beyond specifying areas of policy concern. As a result, we have been able to reshape our strategy and reallocate our internal resources as the client's specific needs and our perceptions of the City's problems have changed.

3. RESEARCH HORIZONS. Avoid research approaches with long pay-off horizons and no intermediate products. It is often possible to sell such enterprises to the client, but seldom possible to keep his attention and support while you carry them out. And you need his attention and support if you hope to influence his decisions. I think it is essential to build into a research plan a steady flow of output that the client will find helpful for interim guidance while awaiting the grand design; in any case, a good analyst is usually able to tell his client where his analysis is coming out long before he can complete the documentation.

4. STAFF-LEVEL INTERACTION WITH THE CLIENT. I do not think that influential or even very relevant work on issues of public policy can be done without close contact with the client's staff. Both the client agency and the research contractor have understandable impulses for privacy that must be overcome if the contractor is to comprehend the

internal politics of the agency and to gain access to information he needs, much of which is undocumented, carried only in the heads of civil servants who are jealous of their domains. The client must come to trust the contractor, and a good way to gain this trust is by full and continuous disclosure of what the contractor is doing, and even of the mistakes he has made. The principle liaison with the agency must be an individual who has the confidence of the agency head and is able to devote a really substantial part of his time to the study that he is monitoring; his role must in fact be shifted from that of monitor to that of participant.

The price to the researcher of this kind of relationship is terribly high; but in the end, it seems to me the only one that leads to influence.

5. STRATEGIC USE OF INFORMATION. Many of those who conduct the public business are appalling uninformed about the context of their task. Major decisions are made on the basis of strictly anecdotal evidence because that is the only kind available. We found City officials hungry for information. Often the information we gave them was drawn from their own files, or was available in public documents, but had never been called to their attention or had never been organized in a way that led to understandable or robust conclusions.

We have found that the most powerful facts about a public program are the following:

- a) What does it cost?
- b) Who gets the benefit?
- c) Who pays the bills?

6. AN EFFECTIVE MODE OF COMMUNICATION. Before coming to Rand, I spent 15 years on university campuses listening to and delivering lectures. In retrospect, I am appalled at the waste. The typical classroom lecture is incredibly inefficient as a means of imparting information or of stimulating thought. I shall always be grateful to Mother Rand for teaching me how to distill research findings and arguments for policy into a form accessible to busy people.

We communicate with City officials primarily by means of formal, well-rehearsed briefings, making heavy use of visual aids. We get more questions and more perceptive questions from our audiences than I have ever gotten in a university lecture hall.

While senior officials usually make up their minds on the basis of these briefings, they also need ritual reassurance in the form of massive documentation. In a way, this is exceedingly fortunate for the researcher, because these documents, when they are not too sensitive for public distribution, comprise his best communication with his professional peers, upon whose good opinion his career also depends.

7. CONFRONT THE REAL ISSUES. Research studies are often contracted for by a public official in order to postpone action, or in order to provide a ritual blessing for a decision he has already made. Researchers often perform these functions either through naivete or an unprofessional interest in the money to be made thereby. Others sense or soon discover that exposure of the real problem is fraught with political dangers, and it is much easier to take refuge in peripheral issues. Approached in this way, the task of giving policy or programmatic advice may be completed to the satisfaction of the client, but it seldom cures the problems that gave rise to the client's discomfort.

I think it pays to be tactfully brutal. When you are confident that you understand the real issues, and can provide solid evidence in support of your views, it is necessary to present them insistently to the client. It may end the honeymoon or even result in contract termination; on several occasions, we were not far from these consequences. But people can be persuaded by tact, by repetition, and above all, by evidence, to think about the unthinkable. It seems to me that no professional consultant can afford to be, or to appear to be, conveniently blind to the truth.

8. DON'T TALK TO THE PRESS. Agency heads like to control the flow of public information. Even when its substance is congenial to their views, they feel strongly about timing. They particularly dislike public revelation of a problem when they are unprepared to propose

or endorse some particular solution; their immediate and often unthinking response is to discredit the source of information.

In my opinion, most public officials are unduly sensitive in these matters, and get themselves into more trouble from excesses of secrecy than from premature disclosure. However, it isn't my phone that starts ringing when the *Times* reaches the City's breakfast tables.

